

Real Estate Education Newsletter

January 2004

for Instructors and School Administrators

What's On the Horizon?

Assigned Agency: In conjunction with the Idaho Association of REALTORS® and many others, the Commission has agreed to an agency change that will give licensees another alternative in dealing with in-house transactions. The designated broker may allow agency to be assigned to selling and listing agents, with one as an assigned agent of the seller and another to be the assigned agent of the buyer. The broker must remain a limited dual agent. If this proposed bill passes the legislature, the Education Council will be tasked with educating you, the instructors and school administrators, so that course curriculum can be changed to include assigned agency.

Broker Curriculum: In addition to assigned agency, the Council is reviewing the broker prelicense curriculum. As always, your ideas on how to improve Idaho's education program are welcome.

Fine Money for Education: Another part of the Commission's legislative package is a proposal that all civil penalty fine monies be used to develop and deliver real estate education to Idaho's licensees. The Education Council is currently researching how this money can be utilized.



2004 Train the Trainer/Continuing Education Core Program...

...is scheduled to be held at the Hilton Garden Inn, 7699 Spectrum St., Boise. Mark your calendars to join us! Here is an early look at the agenda:

Tuesday, May 18, 2004

- ★ Adult Learning that Makes Sense by *Diana Brouthers*
- ★ Luncheon panel discussion: ID Instructor Techniques
- ★ Evening networking at the Hilton Garden Inn lounge

Wednesday, May 19, 2004

- ★ Outline to PowerPoint: Hands-On! by *Andy Lanning*
(we encourage you to bring your laptop!)
- ★ Luncheon panel discussion: IREC Issues
- ★ 2004 CE Core Pilot Program
 - Hot Topics by *Doug Marfice*
 - Case Law by *J. Dee May*
 - Legislative Changes by *Mark Snodgrass*

Approval Numbers Required

When submitting course schedules to be posted on the website, please be sure to give us the approval numbers, particularly if the courses are approved in states other than Idaho.

Fingerprint Cards

Please be sure your students are using the correct fingerprint cards. Recently, we have been contacted by the Idaho State Police stating that some license candidates have been submitting fingerprint cards that are not stamped with the Idaho Real Estate Commission's identification number. This number indicates what agency to forward results to and is a very important part of the license application process. Cards will not be processed correctly without this specific stamp.

Fingerprint Changes

Effective March 1, 2004, there is a Commission policy change in the fingerprint program to require that candidates have their fingerprints taken and the results back to the Commission **BEFORE THEY APPLY FOR LICENSURE**.

A "News Release" is attached for you to post in your school and to disseminate to your students. It can also be found on the website at <http://www.idahorealestatecommission.com/publics/FPchange.doc>

New Radon Brochure

The Idaho Indoor Environment Program, Division of Health, announces the availability of a new point of sale brochure for real estate agents and their clients entitled, "Dealing with Radon in Real Estate Transactions".

The key message is if you like a home, buy it—radon can be reduced either before or after the sale. The brochure was designed with input from practicing real estate agents as well as scientists and technicians. Free copies are available by calling 1-800-445-8647.

In addition, a 20-minute video has also been developed for buyers that have identified a concern and want good, detailed information. The video covers why radon is a concern in Idaho and elsewhere, as well as how it is reliably measure, with detailed footage on mitigation techniques for both new and existing homes. Limited copies of the video are available by calling 1-800-445-8647.

Your Next License Renewal Could Be "On The House"

We encourage you & your students to renew online!

If your real estate license expires in 2004, you might want to think twice about renewing through the mail. That's because the Idaho Real Estate Commission (IREC) and the state of Idaho's official web portal, Access Idaho, are offering you the chance to win a free real estate license renewal via the Internet.

Entering is as easy as renewing online. Simply visit the IREC homepage at www.idahorealestatecommission.com, click the "Licensing Forms and Online Services" link, select the "Online Licensing Services" link, and then click the "IREC's online services"

link. After logging in with your date of birth and the last four digits of your social security number, click the "License Renewal" link and follow the instructions.

By renewing online, you will be automatically entered into one of two drawings for a free license renewal (up to a \$220 value). If you are renewing an active license you can double your chances. By successfully printing your active license online, your name will automatically be entered a second time. If your name is selected, your most recent license renewal fees will be rebated fully.

The first winner will be selected in August 2004 by a drawing from the pool of licensees who successfully renew online from Jan. 1, 2004, through June 30, 2004. The second winner will be chosen in January 2005 by a drawing from the pool of licensees who successfully renew online between July 1, 2004, through December 31, 2004. **Only licenses renewed online are eligible.**

In addition to license renewals, the Commission's secure interactive portal allows real estate companies and professionals to view education records, perform public license searches, register for Commission-approved courses, edit personal and company records, print licenses, and purchase duplicate licenses.

For more information about the license renewal giveaways, contact Neal Bernklau at 334-3285 ext. 227; (toll free within Idaho 866-447-5411), or nbernkla@irec.state.id.us

A NOTE FROM ACCESS IDAHO:

IREC's Online Services Secure?

Strong precautions are taken to protect the information of the users of the IREC Site. When users submit sensitive information via the site, that information is protected both online and offline.

We take credit card and personal information security seriously and use a variety of technical solutions to make license renewals safe at our site. Furthermore, your information is encrypted and is protected utilizing the industry standard Secure Sockets Layer (SSL) encryption software. While on a secure page, the lock icon on the bottom of Web browsers such as Netscape Navigator and Microsoft Internet Explorer becomes locked, as opposed to unlocked, or open, when you are just 'surfing'.

The page you are viewing when renewing your license or making a credit card payment is encrypted before being transmitted over the Internet. Encryption makes it very difficult for unauthorized people to view information traveling between computers. It is therefore very unlikely that anyone reading this page as it traveled across the network. Also, the identity of the IREC web site has been verified by Thawte Consulting, C.C., and a certificate of authority issued for the purpose of e-commerce security.

Technical Information

The IREC license renewal site ensures the identity of a remote computer using HyperText Transfer Protocol with Privacy SSL 3.0, RC4 with 128 bit encryption (High); RSA with 1024 bit

exchange HyperText Transfer Protocol with Privacy. You can see that the service is housed on a secure service by looking for the "https" at the beginning of a web address. The "s" at the end of the "http" signals the use of a secure server with SSL encryption software.

2003-2004 Calendar

Commission Meetings Education Council Meetings

January 15, 2004	February 18, 2004
February 19, 2004	March 17, 2004
March 18, 2004	July 16, 2004
April 15, 2004	
May 20, 2004	
June 17, 2004	
July 14-15, 2004	

Holidays—Commission office closed

January 19, 2004—Human Rights Day
February 16, 2004—President's Day
May 31, 2004—Memorial Day
July 4, 2004—Independence Day

Other Important Dates

April 22-23, 2004—ARELLO Mid Year Meeting
May 11-15, 2004—NAR Midyear Legislative Mtg.
May 18-19, 2004—Train the Trainer/CE Core
June 20-23, 2004—REEA Annual Conference

Annual Audit Statistics

Interesting Stats from the Enforcement's office audits!

Take a look at the problems discovered in your region in 2003:

% Of Total Violations By District:

	South	North	West	Central	East
Failure to Account	3.8%	2.8%	5.2%	4.6%	3.8%
Commingleing	0.0%	0.6%	0.0%	0.0%	0.3%
Advertising	0.0%	0.0%	0.0%	0.0%	0.0%
Offers to Purchase	15.2%	9.5%	5.2%	21.4%	12.3%

Agency Disclosure By District:

	South	North	West	Central	East
Representation Confirmation Incorrect	4.9%	5.1%	3.5%	5.3%	4.8%
No Consent to Limited Dual Agency	4.3%	3.5%	2.6%	3.1%	3.5%
Representations Agreements Missing	10.3%	7.6%	13.0%	6.9%	9.0%
Representation Agreements Incorrect	18.5%	9.2%	10.4%	6.9%	11.3%
No Disclosure of Licensed Status	0.0%	0.3%	1.7%	0.0%	0.4%
Display of License	0.0%	0.3%	0.0%	0.0%	0.1%

Record Keeping

	South	North	West	Central	East
No Ledger Sheet Created	1.6%	4.7%	2.6%	1.5%	3.1%
Ledger Sheets Incorrect/Incomplete	6.0%	8.9%	3.5%	4.6%	6.6%
Deposits Slips Incorrect/Incomplete	6.0%	10.4%	7.8%	7.6%	8.4%
No Proof of Deposit	1.1%	2.5%	2.6%	0.8%	1.9%
Checks Incorrect/Incomplete	6.5%	9.2%	8.7%	11.5%	8.8%
Check Register Incomplete	2.2%	7.6%	7.0%	6.9%	6.0%
Failure to Reconcile	4.9%	3.2%	7.0%	5.3%	4.6%
No Proof of Monthly Reconciliation	5.4%	4.1%	5.2%	5.3%	4.8%
Rejected Offers Not Marked/Retained	1.1%	0.6%	3.5%	0.8%	1.2%
Transaction Numbering Incorrect	1.6%	1.3%	0.9%	3.1%	1.6%
Miscellaneous	0.5%	0.9%	0.9%	0.0%	0.7%
Closing Statements	0.5%	3.2%	0.9%	0.8%	1.7%

Trust Accounting

	South	North	West	Central	East
Late Deposits	5.4%	2.8%	7.0%	3.1%	4.2%
Other	0.0%	1.3%	0.9%	0.0%	0.7%
Miscellaneous	0.0%	0.3%	0.0%	0.8%	0.3%

Idaho Real Estate Education Newsletter

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NEWS RELEASE

For Immediate Release

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FINGERPRINT RESULTS REQUIRED PRIOR TO APPLICATION FOR REAL ESTATE LICENSE

BOISE – January 6, 2004 – Effective March 1, 2004, the Idaho Real Estate Commission (IREC) will no longer accept an application for licensure until the fingerprint results have been received from the Idaho State Police/FBI and the applicant meets Idaho Code requirements for licensure. Applicants are advised to submit their fingerprint card with the \$34 processing fee at least 3-4 weeks prior to applying for a real estate license. Applications received on or after March 1, 2004, without the fingerprint results being on file will be returned to the applicant. IREC will send a notice to the applicant's home address upon receipt of the ISP/FBI fingerprint results. This notice will state either that 1) the fingerprints are approved and the applicant can apply for licensure, or 2) that additional information about the fingerprint results is needed from the applicant for IREC review.

For more information about the new fingerprint requirement, contact Neal Bernklau, Licensing Supervisor, at (208) 334-3285 ext. 227 (toll free, 1-866-447-5411), or nbernkla@irec.state.id.us.

IDAHO REAL ESTATE COMMISSION

Enforcement Department - Telephone Log Activity

12/13/2003 - 01/09/2004

	# of calls	Percent
Administrative	44	15%
Consumer Education*	63	21%
Consumer Complaint**	26	9%
Licensee Education*	145	49%
Licensee Complaints**	20	06%
Totals	298	100%

Consumer & Licensee Education Calls.....208

Consumer & Licensee Complaint Calls..... 46

Administrative Calls44

Complaints Sent Out 6
Guidelines mailed, or internet help 3
Other Information mailed, or internet help 10
E-Mails 14

*may start out as complaint call

**includes calls made to consumers and licensees on filed complaints

COMMON COMPLAINTS AND QUESTIONS

1. Licensee in Twin Falls is selling his property in Boise. Listed with one Boise office; sold by another Boise office.
How does he “run” this transaction through his broker?
2. Is a special license required for resort lot sales?
3. **Is it okay for a CPA to collect a commission for “putting together” a real estate transaction?**
4. Complaint from listing broker: selling agent accepted an out-of-state personal check from buyers’ parents for the earnest money deposit. Seven days after deposit, the parents had a falling out with the buyers and stopped payment on the check. The out-of-state bank honored the stop payment. Buyers can’t get a loan without the parents’ help. The seller is demanding the earnest money.

5. Consumer wants to know if creative financing being suggested is legitimate (no real estate licensees involved).
6. Licensee has purchased property owned by another licensee. Whose designated broker should be the responsible broker? **How do both licensees run the transaction through his broker?**
7. Licensee who is part of a “team” is putting license on inactive status. All business cards and ads include the entire team. Do all the cards and ads need to be changed?
8. Can an Idaho licensee sell Utah property with an inactive Utah license?
9. Buyer is assigning interest in Purchase & Sale Agreement. Does the broker need a buyer rep agreement with the “new” buyer?
10. Licensee, with a “franchise” office, wants to know if he must join the Realtors organization?
- 11. Consumer wants to file a complaint; her agent recommended a home inspector that made a mistake.**
12. Consumer is angry because licensees are leaving the lights on when they are through showing her house.
13. Consumer wants to file a complaint; a licensee sold him a mobile home and he just discovered it has aluminum wiring.
14. Consumer wants advice; he apparently signed two different buyers representation agreements.
15. Idaho broker has a licensee that bought land in Washington. Does this transaction have to go through the office?
16. Broker said a seller, who is working with a cooperating office, wrote all over her offer before faxing it back. Isn't that illegal?
17. Broker read article in the Real Estate magazine. **Can we do assigned agency transactions now?**
18. Licensee has a listing for 300 acres, owned by a timber company. **She advised the company to list portions of their property sporadically over the next several years. She wants to file a complaint because another licensee contacted the company and listed their remaining 17000 acres.**
19. Real estate partners bought calendars for 2004. The caller is going inactive, can the remaining partner still distribute the calendars, with both their names and photos on them?
20. Consumer wants to know where to file a complaint. He found out, after the close of escrow, his seller was a registered sex offender, but this was never disclosed to him.
21. Idaho licensee wants to know if he can list Oregon property.